

REGULATORY AGENDA

Banking Department Second Half 2006

The New York State Banking Department is planning to seek comments on the following regulatory proposals:

1. Amendments to Part 14 of the General Regulations of the Banking Board (Investments in Corporations by Banks and Trust Companies) pertaining to investments by banks in subsidiary corporations, to cover various additional investments, such as investments in limited liability companies, joint ventures, trusts and minority-ownership investments; as well as review and possible updating of prior and after-the-fact notice procedures in Part 14.

2. Addition of new Parts 342 and 416 to the Superintendent's Regulations requiring the Department to consider money laundering compliance in all chartering, licensing, merger, change in control and branching applications filed with the Department.

3. Addition of new Parts 343 and 417 to the Superintendent's Regulations requiring institutions licensed or chartered by the Department to maintain Bank Secrecy Act and OFAC compliance programs.

4. Amendments to Part 406 of the Superintendent's Regulations (Money Transmitters) to provide standards for the use of agents and to expressly prohibit the use of subagents by licensed money transmitters.

5. Amendments to Part 38 of the General Regulations of the Banking Board (Definition of Terms; Advertising; Application and Commitment Disclosures and Procedures; Improper Conduct under Article 12-D) to eliminate the definitions of full service branch and loan solicitation branch, add definitions of application and net branch, clarify disclosure requirements and requirements for branches, and add the specific prohibition against "dual employment" to the list of Prohibited Conduct. There also would be an accompanying proposal to amend Part 410 of the Superintendent's Regulations (Mortgage Bankers: Licensing Requirements; Mortgage Brokers: Registration Requirements; Branch Applications: Notifications: Books and Records; Annual Reports; Surety Bonds; and Consultants of Licensed Mortgage Bankers and Registered Mortgage Brokers) and to make corresponding amendments to Supervisory Procedures MB 101, 102, 103 and 104. It is also proposed to amend Part 413.3 of the Superintendent's Regulations (Procedures and Requirements for Mortgage Brokers to act as FHA Mortgage Loan Correspondents) to make it clear that the corporate surety bond required as a precondition of Department approval is in addition to any other bond requirement imposed by the Banking Law or otherwise. A corresponding amendment to Supervisory Procedure MB 106 is also proposed.

6. Amendments to Supervisory Procedure CB 105 (Application for Approval of the Formation of a Bank Holding Company, the Expansion of an Existing Bank Holding Company, the Voting by a Bank Holding Company of the Stock of a Banking Subsidiary, a Merger, a Consolidation, or a Purchase of Assets) to clarify the applicability of portions thereof to particular types of transactions.

7. Amendments to Supervisory Procedure CB 117 (Application for Companies Seeking to Acquire or Exercise Control of a Banking Institution Under Banking Law Section 143-b) to reflect current practice regarding waiver of particular information and/or acceptance of federal application information in its stead.

8. Amendments to Part 16 of the General Regulations of the Banking Board (Certain Mergers and Acquisitions of Assets involving Banking Institutions) regarding interstate transactions.

9. Addition of new Part 404 to the Superintendent's Regulations to set forth the requirements and standards of operation for entities licensed under Article 12-C of the New York Banking Law to conduct the business of budget planning when the licensee uses the services of third party entities in making payments of debtor funds to creditor of the debtors. These amendments were adopted on May 17, 2006 on an emergency basis.

10. Amendment to Part 6 of the General Regulations of the Banking Board implementing the wild card authority to adopt the capital definitions used by federally chartered entities.

11. Amendments to Part 82 of the General Regulations of the Banking Board (Alternative Mortgage Instruments) to increase the loan-to-value ratio of up to 103% on alternative rate mortgage instruments to achieve parity with national banks.

12. Amendments to Part 6 of the General Regulations of the Banking Board regarding wildcard action concerning the number of board meetings for savings banks and savings and loan associations.

13. Amendments to Part 6.5 of the General Regulations of the Banking Board regarding self-certification of investments in community development entities or projects to achieve parity with OCC regulations.

14. Amendments to Parts 80, 82, 84, and 96 of the General Regulations of the Banking Board (Mortgage Lending) regarding making appraisal requirements consistent with federal appraisal requirements.

15. Amendments to Part 406 of the Superintendent's Regulations (Money Transmitters) to establish new reporting requirements for licensed money transmitters in order to provide the Department with more timely information on the business activities and financial status of the licensees.

16. Amendments to Section 400.5 of the Superintendent's Regulations (Licensed Cashers of Checks) permitting check cashers to have deposit accounts with banking institutions wherever located. These amendments were adopted on an emergency basis on March 23, 2006.

17. Amendments to Part 76 of the General Regulations of the Banking Board to conform the state CRA regulation with the proposed federal CRA regulations. These amendments were adopted on an emergency basis on May 25, 2006.

18. Amendments to Parts 38, 80, 82 and 84 to decrease unnecessary regulatory burden while ensuring that consumer protections are not diminished.

19. Adoption of a new Part 6.10 of the General Regulations of the Banking Board implementing the wild card authority to permit New York State chartered banking institutions to invest in bankers' banks.

20. Adoption of a new Part 6.8(e) of the General Regulations of the Banking Board implementing the wild card authority to require New York State chartered banking institutions to give a separate clear and conspicuous notice to accountholders whose accounts are or will be subject to overdraft protection fees. These amendments were adopted on an emergency basis on May 8, 2006.

21. Amendments to Part 322 modifying asset pledge requirements for licensed foreign banking corporations.

22. Amendments to Part 73 simplifying notice requirements for electronic facilities established or shared by banking organizations.

Contact Person: Sam L. Abram, Secretary of the Banking Board, One State Street, New York, NY 10004, (212) 709-1658.